

Senate File 2325 - Introduced

SENATE FILE 2325
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3080)

A BILL FOR

1 An Act relating to the practice of mortuary science and to the
2 preneed sale of cemetery and funeral merchandise and funeral
3 services and providing a penalty.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 272C.2B Continuing education
2 minimum requirements — mortuary science.

3 1. The board of mortuary science, created pursuant to
4 chapter 147, shall require, as a condition of license renewal,
5 a minimum of twenty-four hours of continuing education in the
6 two years immediately prior to a licensee's license renewal.
7 The board of mortuary science may notify funeral director
8 licensees on a quarterly basis regarding continuing education
9 opportunities.

10 2. A person licensed to practice mortuary science in this
11 state shall be deemed to have complied with the continuing
12 education requirements of this state during periods that
13 the person serves honorably on active duty in the military
14 services, or for periods that the person is a government
15 employee working in the person's licensed specialty and
16 assigned to duty outside of the United States, or for other
17 periods of active practice and absence from the state approved
18 by the board of mortuary science.

19 Sec. 2. Section 523A.207, Code 2009, is amended to read as
20 follows:

21 **523A.207 Audits by certified public accountants — penalties.**

22 A purchase agreement shall not be sold or transferred, as
23 part of the sale of a business or the assets of a business,
24 until an audit has been performed by a certified public
25 accountant and filed with the commissioner that expresses the
26 auditor's opinion of the adequacy of funding related to the
27 purchase agreements to be sold or transferred. If the buyer
28 of a purchase agreement sold or transferred as part of the
29 sale of a business or the assets of a business, fails to file
30 such an audit, the commissioner shall suspend the preneed
31 seller's license of the buyer and the preneed sales license of
32 any sales agent in the employ of the buyer until the audit is
33 filed. In addition, the commissioner shall assess a penalty
34 against the buyer in an amount up to one hundred dollars for
35 each day that the audit remains unfiled. The commissioner

1 shall allow a thirty-day grace period after the date that a
2 purchase agreement is sold or transferred before suspension of
3 a license or assessment of a penalty for failure to file an
4 audit pursuant to this section.

5 EXPLANATION

6 This bill relates to licensing requirements for funeral
7 directors and to certain requirements for transfers by sellers
8 of preneed purchase agreements for cemetery and funeral
9 merchandise and funeral services.

10 New Code section 272C.2B codifies a requirement currently
11 contained in administrative rules that a funeral director must
12 fulfill a minimum of 24 hours of continuing education in the
13 two years immediately prior to that person's license renewal.
14 The provision also provides that the requirement is deemed
15 fulfilled for a funeral director during periods of active duty
16 military service, while the funeral director is a government
17 employee working in the person's specialty and assigned to duty
18 outside the United States, and for other periods of active
19 practice and absence from the state approved by the board of
20 mortuary science.

21 Code section 523A.207 is amended to require that if a
22 preneed seller buys purchase agreements as part of the sale of
23 a business or the assets of a business and fails to file an
24 audit by a certified public accountant regarding the adequacy
25 of funding of those purchase agreements, the licenses of
26 that preneed seller and sales agents of that preneed seller
27 are suspended until the audit is filed. In addition, the
28 commissioner of insurance is required to assess a penalty
29 against that buyer of up to \$100 for each day that the audit
30 remains unfiled. However, the commissioner is required to
31 allow a 30-day grace period after the date a purchase agreement
32 is sold or transferred before suspending a license or imposing
33 a penalty for failure to file an audit of the funding of the
34 purchase agreements.